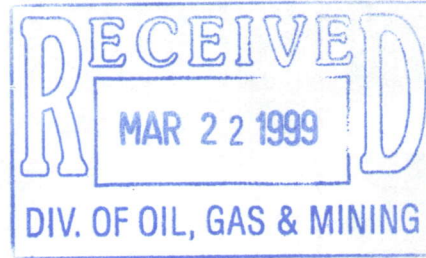
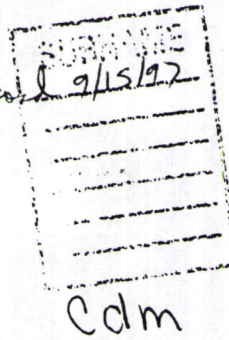


U-73999
(UT-023)
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FILE



CERTIFIED MAIL Z 286 254 460
RETURN RECEIPT REQUESTED

SEP 15 1997

Mr. Robert Holladay
Clifton Mining Company
70 West Canyon Crest Road, Suite D
Alpine, UT 84004

Dear Mr. Holladay:

On August 27, 1997, we received information from you in support of Clifton Mining Company's (CMC) Plan of Operations for milling at the Cactus Millsite in T. 7 S., R. 18 W., Section 35. In order to complete the Environmental Assessment for CMC's proposed milling activities, we are requesting that you provide a description of your plan for reclamation of the millsite when operations are concluded.

Please describe the methods, including the sequence and timing, that will be used to complete the final reclamation of the land disturbed by your proposed milling operation. Diagrams may be used. Include in your response, a brief discussion of each of the following (if applicable):

1. Backfilling and re-contouring the site.
2. Scarification of disturbed areas.
3. Stabilization of slopes.
4. Stabilization of permanent waste dumps, tailings impoundments, dams, and ponds.
5. Rehabilitation of pre-mining drainage.
6. Removal, disposal, or utilization of residual equipment, structures, and refuse.
7. Control of contaminants, especially with regard to surface run-off and ground water.

8. Treatments of stream beds and stream banks to control erosion and sedimentation.
9. Removal or reduction of residual mining hazards, such as open pits, trenches, etc.
10. Replacement of topsoil and revegetation of disturbed areas.
11. Reclamation of access roads.

This information should also be made available to the third-party Professional Engineer who will be estimating reclamation costs for the mill facility, as required by a final rule published in the Federal Register on March 31, 1997. This rule requires the submission of financial guarantees for reclamation of all hardrock mining operations greater than casual use. For all operators, the final rule also requires the following:

The bond amount must be no less than 100 percent of the estimated costs to reclaim the land disturbed. The bond is required to be for an amount the greater of 100 percent of the cost to reclaim the disturbed area, or \$2,000 per acre for a Plan of Operation.

Please provide the requested information within 30 days of receipt of this letter, or we will consider your Plan of Operations to be withdrawn, and will expect the site to be reclaimed to the standards described at 43 CFR 3809. In order to expedite the approval of CMC's milling operations at the Cactus Millsite, you should also contact D. Wayne Hedberg of the Utah Division of Oil, Gas and Mining, at (801) 538-5291, to discuss the State of Utah's requirements for mining and milling operations greater than five acres in size.

If you have any questions, or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Sincerely,

/s/ Margaret Wyatt

Margaret Wyatt
Area Manager

cc: D. Wayne Hedberg, UDOGM